

Ethical Decision Making Styles in the Workplace: Underlying Dimensions and Their Implications*

Roberta M. Snow and Arvid J. Bloom

Abstract — Managerial decisions involving complex tradeoffs were examined using a scenariobased survey instrument, developed from the Kinston's work on ethical choice. Respondents indicated the extent to which each of seven ethical considerations would effect their decisions. Four considerations were end-oriented (teleological): rationalist, experientialist, systemicist, transcendentalist, and three means-oriented (deontological): conventionalist, individualist, and legitimist. The data suggest that three strong bi-polar factors with opposing teleological with deontological considerations underlie ethical decision styles. Extensions from the research are also discussed.

Keywords — Ethics; decision; decision style; workplace; teleological; deontological; rationalist; experientialist; systemicist; transcendentalist; individualist; legitimist.

Address — Correspondence and reprints should be sent to Roberta M. Snow, Department of Management, West Chester University, West Chester, PA 19383, U.S.A.

Introduction

Wall Street insider trading scandals, the S&L bailout, and numerous other fraud and malfeasance cases have brought questions of ethical behavior in business and the workplace under public scrutiny[2]. As a result, there is a growing emphasis in the management, organization behavior, and curriculum development literatures[1,18 and 19] on applying and teaching principles of business ethics. This movement appears to be part of a larger debate in academia about the appropriateness of imparting values and the understanding of social responsibility[21].

In the workplace, employers have been placing an increasing emphasis on hiring "trustworthy" employees. Methods for assessing applicants' integrity have included interviews, background investigations, reference and credit checks, psychological evaluations, and lie detector tests. Each of these basically reactive strategies is grounded in the assumption that "undesirable" individuals can be screened out of applicant pools, thereby ensuring an ethical workplace environment. However, organizations have given scant attention to the roles that managers play in assessing

*An earlier version of this paper was presented at the 63rd Annual Meeting of the Eastern Psychological Association, Boston, Massachusetts, U.S.A., 1992.

and creating ethical climates. A literature devoted to understanding how managers judge the ethical "rightness" or appropriateness of their decisions has only recently begun to emerge[7]. The empirical study presented here aims to illuminate the latter process from a systems perspective in order to strengthen both the theory and practice of ethical behavior in the workplace.

Management and organization research[16] has depicted behavior as either ends oriented ("teleological") or means oriented ("deontological"). The literature has posed little scholarly challenge to strong preferences expressed in the business world for an ethics of means - rules, codes, and laws that distinguish ethical from unethical conduct. Ewin[3] provides insight into this deontological bias by portraying corporations as artificial legal persons defined by laws and policies. In his view, the ethical lives of corporations are limited by their non-human and unemotional nature. Since their moral and legal personalities can be equated, limits are imposed on what is considered ethical managerial behavior. Thus, organizations can be depicted as rule-driven entities that, because of their legal structure, help to negate the role of individuals in all their complexity play.

In contrast to the business literature which focuses on the organizational context, writings in psychology have focused more upon developmental influences and resultant character traits related to ethical behavior. Stage theories of moral development, differentiated by gender, have characterized much of the research. Piaget's[17] seminal work, for instance, examined children's games as a way to understand reactions to rule-defined settings. He observed that whereas boys tended to resolve ambiguity or confusion by evoking rules of the game, girls attempted to rewrite the rules or quit the game altogether. Piaget went so far as to conclude that "the legal sense is far less developed in little girls than in boys" (p. 69).

For the last sixty years, Piaget's studies have served as a basis for investigating moral development during childhood, adolescence, and adulthood. The central debate over gender differences is perhaps typified by the divergent perspectives of Kohlberg's[15] male-centered studies and Gilligan's[4] female-centered ones. Taken together, their findings suggest that males tend to develop a rule-based ethic while females generally prefer an ethic based on interpersonal processes and relationships. In other words, males identify more with deontological beliefs and females with teleological ones.

Recent studies have begun to address how cognitive differences associated with ethical behavior manifest themselves in the workplace[5,6]. It has generally been assumed in this line of research that women who are ends-oriented are at odds with male-dominated corporate cultures that are traditionally means-oriented. Here, the psychology and business literatures complement one another by depicting ruledriven ethical behavior as the norm in most organizations.

One of the major problems with these prevailing views of ethical behavior in the workplace is that fail to capture the systemic complexities of everyday life that influence and constrain employees. Because of the dynamic and complex nature of modern organizations and the turbulent environments in which they operate, it seems appropriate to suggest broader and more refined definitions of "ends" and "means". By framing theory in this way, it is hoped that practical implications for organizational and individual change can emerge. Toward this end, the current research specifically seeks to play a role in reconciling the deontological-teleologi-

cal controversy in managerial decision making by testing a conceptual scheme developed by Kinston[11].

Kinston's scheme is based on a detailed conceptual analysis of ends and means, i.e. purposes and values[8,10 and 11], and is supported by an empirical analysis of decision-making styles[14] and his studies on the nature of inquiry[9,12]. The intention of the resulting taxonomy is to supply "a framework which encompasses the possible distinctive approaches to decisive action from their own *practical* standpoint"[14,p.117]. In refining the framework through a historic review of the philosophy, literature, Kinston concludes that:

...modern philosophy has drifted away from the realities of practical choice and the expression of virtue. In this way, it avoids the dilemmas faced by ordinary people. Instead, the search persists for subjectivist or objectivist "moral facts". This search takes place either from an exclusively deontological or exclusively teleological position. In other words, neither point of view has triumphed to date. In field research, both perspectives [have] appeared to be required as a matter of course; and many philosophers without clearly resolving the issue, do accept both as valid[11,p.4].

Kinston's inquiry has resulted in an approach to ethical choice, termed "meta-ethical design", that reconciles theoretical and applied elements of the ends versus means controversy. In his own words:

Meta-ethical design...implies the use of a systemic inquiry approach so as to create something that can be directly adopted in practice... Design-oriented inquiry involves modelling the structures used in actual ethical choices and preferred in ethical theorizing... The model is therefore not just a theory but a tool or instrument[11,p.5].

Kinston's scheme is composed of seven distinct "ethical systems" or approaches, each having either a teleological or a deontological imperative. Each approach describes a style or trait pattern that encompasses an individual's decision criteria, personal sense of obligation, and views of what is virtuous. While Kinston does not theorize about the development of preferences, he does claim that people tend to view them as mutually exclusive, and may use or defend them irrespective of the situational context. While all the approaches are claimed to be necessary for social life, logically they are sharply distinct; and in practice their underlying assumptions have been found to be in conflict at times. These styles and their underlying bases for ethical decisions are as follows:

Teleological (Ends-focused) Decision Styles:

- 1 *Rationalist* - Decisions are based on an obligation to meet concrete and self evidently worthwhile objectives.
- 2 *Experientalist* - Decisions are based on an obligation to pursue emotionally desired values which can easily be applied.
- 3 *Systemicist* - Decisions are based on an obligation to balance all the consequences in relation to the values, needs, and interests of all concerned parties.
- 4 *Transcendentalist* - Decisions are based on an obligation to respond to a deep inner sense of what is right, good, eternal, and divine.

Deontological (Means-focused) Decision Styles:

- 1 *Conventionalist* - Decisions are based on an obligation to conform to widely accepted views of what is valued and proper.
- 2 *Individualist* - Decisions are based on an obligation to ensure one's own security and interests in light of existing power relationships.
- 3 *Legitimist* - Decisions are based on an obligation to set and adhere to formal policies or rules created and imposed by legitimate authority.

Kinston's categories appear to be comprehensive and coherent. However, they have not been empirically validated. In addition, possible interrelationships between style preferences have not been examined. We believed that a rigorous test of the theory holds the potential to improve its applicability to managerial work and its appeal to individuals contemplating organizational careers. Therefore, we sought to (a) develop a psychometrically sound instrument for assessing individuals' preferences for seven styles in business settings and (b) use it to identify dimensions that may underlie the styles.

Method

Respondents consisted of 333 business and psychology students (153 males, 180 females) at a medium-sized state university. The graduate and undergraduate students were on average 22.5 years old ($SD = 5.39$) and had completed an average of 15.1 years of education ($SD = 2.14$). Written scenarios and ranking scales were distributed during regularly scheduled classes following a brief verbal introduction to the purpose of the study (i.e., an investigation of "decision making styles"). The terms "ethics" and "ethical" were intentionally omitted from the introduction and the instrument itself to remove any implication of "right" or "wrong" responses. During the sessions, lasting about 15 minutes, respondents first anonymously completed a demographics cover sheet. They then read seven brief (two to six-sentence) background descriptions of managerial decision situations. After each description, respondents were asked to rank a list of seven considerations (from "most" to "least" important) that would influence their decision if they were the manager in the scenario.

The scenarios portrayed some typical managerial decision situations involving dilemmas or complex tradeoffs without hinting at any preferred methods of resolution. For instance, one scenario involved a decision about whom to fire (a long time and well-paid "average" worker versus a newer and much lower-paid "outstanding" performer). The other scenarios depicted choices about how to conduct a new employee orientation, marking a religious holiday with a multi-ethnic work force, responding to a dying relative despite the approach of a critical project deadline, handling a promotion that requires relocation against the wishes of a spouse, deciding whether to promote somebody who is intensely disliked by the boss, and handling the discovery of theft by a co-worker who is also a close friend. All of the scenarios employed unisex names (e.g., Pat, Chris) and non-specific terms (e.g., "a large sum of money") to minimize respondent reactivity to details. Each written scenario - presented on a separate page - was followed by a list of seven decision considerations based on Kinston's scheme. Participants were

instructed to "RANK the following things you might consider in making your decision by placing a number on each lefthand blank: 1 = your MOST IMPORTANT consideration, 7 = your LEAST IMPORTANT consideration. Use each rank (1-7) exactly *once*. There are no best responses." The lists of considerations were presented in a scrambled order between scenarios although wordings were very similar. Here are some typical examples corresponding to each ethical decision style:

<i>Ethical Decision Style</i>	<i>Example of Decision Consideration</i>
Rationalist	"what is clearly beneficial to the firm"
Experientialist	"what feels comfortable in this situation"
Systemicist	"balancing the needs of all parties concerned"
Transcendentalist	"what is morally 'just' or 'right'"
Conventionalist	"what has been done in similar situations"
Individualist	"what is likely to benefit my own career"
Legitimist	"the company's written policy on terminations"

Preference scores for each of the seven styles were constructed by summing respondent's ranks for the appropriate style across all of the scenarios. To discourage response matching, respondents were requested on the cover page and verbally by the administrators not to refer back to previous pages (scenarios) when doing the rankings. Following survey completion, the administrators debriefed the groups of respondents by explaining each style. In a group discussion format, respondents were then asked to identify the styles that they thought were most and least desirable in the American workplace.

Results

Due to the exploratory nature of the study, specific hypotheses were neither proposed or tested. Instead, scale characteristics, demographic correlates, and dimensions underlying the measures were investigated.

Reliabilities

A reliability analysis revealed some variations in response consistency across the seven scenarios. The mean Alpha for the seven decision style scales was a moderate .63. This figure improved to .69 without the Rationalist scale. The Alphas for each scale were as follows: Rationalist (.30), Experientialist (.63), Systemicist (.55), Transcendentalist (.68), Conventionalist (.57), Individualist (.70), and Legitimist (.68). A subsequent analysis of internal consistencies did not show marked gender differences. However, a slightly greater consistency across scenarios was noted for females (Alpha = .71) than for males (Alpha = .63) in the Legitimist style. The reverse pattern occurred for the Individualist style, with somewhat more consistency noted for males (Alpha = .72) than females (Alpha = .64).

Scale means and mean differences

Computation of the scale means showed the Rationalist style to be most preferred overall and the Individualist style to be least preferred, regardless of participants' gender. Table 1 summarizes the means and standard deviations.

Table 1 Means and Standard Deviations for the Ethical Decision Style Scales

Style Scale	All Respondents (N = 333)		Males (n = 153)		Females (n = 180)	
	M	SD	m	sd	m	sd
Rationalist	20.3	4.99	21.0	5.09	19.8	4.86
Experientialist	28.8	6.85	28.8	7.20	28.8	6.55
Systemicist	23.1	6.16	24.2	6.19	22.2	6.00
Transcendentalist	25.2	6.98	25.8	7.43	24.7	6.55
Conventionalist	34.0	6.09	33.4	6.20	34.5	5.97
Individualist	35.8	7.08	34.2	7.77	37.1	6.14
Legitimist	28.8	7.69	28.6	7.46	28.9	7.91

Note. Lower means indicate stronger preferences for a style. Mean scores reflect summed responses to the seven scenarios.

The analysis also showed the Rationalist and Systemicist styles to be more preferred by females than males: $t(331) = 2.11$ and 3.02 respectively; $p < .03$ and $.01$ respectively. Conversely, the Individualist style was more preferred by males, $t(331) = 3.82$, $p < .001$. No other significant gender differences were encountered.

Exploratory factor analysis

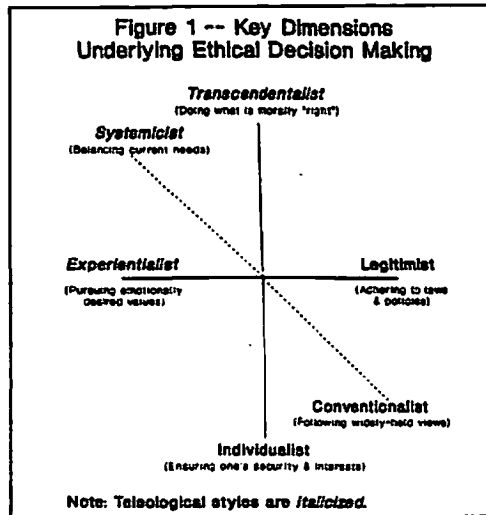
The seven style preference scales were subsequently factor analyzed to identify possible underlying dimensions. A principal components analysis extracted four orthogonal factors which together accounted for 82% of the variance among the scales. A subsequent VARIMAX rotation produced the factor loadings shown in Table 2. Separate analyses for males and females did not produce differences in factor structures or loading patterns.

Table 2 Rotated Factor Loadings for the Ethical Decision Style Scales

Style Scale	Factor 1	Factor 2	Factor 3	Factor 4
Rationalist	.04	.02	.05	.99
Experientialist	.84	.14	-.12	-.09
Systemicist	-.10	.10	.93	-.01
Legitimist	-.84	.04	-.18	-.17
Transcendentalist	.54	.62	.05	-.18
Individualist	.05	-.96	-.03	-.09
Conventionalist	-.50	.08	-.63	-.15
Percent of Variance Account for by Factor	31.6	19.3	16.8	14.3

The factor loadings in Table 2 revealed three strong bipolar factors (see Fig.1). Each of these factors consisted of a teleological style (focused on desired end states or objectives) in opposition to a deontological one (focused on duty, authority, rules). For Factor 1, the teleological Experientialist style (focused on pursuit of emotionally desired values) was opposed to the deontological Legitimist style (focused on setting and adhering to laws or formal policies). For Factor 2, the teleological Transcendentalist style (focused on doing what is morally "right") was opposed to the deontological Individualist style (focused on ensuring one's own security and interests). For Factor 3, the teleological Systemicist style (focused on balancing the needs of all concerned parties) was opposed to the deontological Conventionalist style (focused on following widely-held views).

Figure 1 *Key Dimensions Underlying Ethical Decision Making*



Demographic patterns

To gain further insight into ethical decision making, correlations were computed between the seven style scales and respondents' age and educational levels. Subsequent two-tailed t tests showed preferences for the Experiential style to be stronger among younger and less-educated workers; $r = .23$ and $.19$ respectively; $p < .01$ in each case. Also, while the Legitimist style was more preferred among increasingly educated respondents ($r = -.16$, $p < .01$), the Systemicist style was more preferred among the less educated respondents ($r = .14$, $p < .05$).

Social desirability response bias

Discussions initiated by the survey administrator with groups of respondents immediately following survey completion did not produce a consensus about the most or least preferred styles. Rather, the respondents seemed to comprehend how each of the styles could be highly desirable in business decision making.

Discussion

Overall, the results were congruent with Kinston's trait-oriented taxonomy. The Alpha levels for six of the seven style scales indicated that respondents were at least moderately consistent in their preferences across a wide variety of business decision situations. While the teleological Rationalist style was most preferred overall, it was also the least consistent across scenarios. The low consistency makes

sense by noting the achievement-oriented and situation-specific aspects of that style. The fact that the general Alpha levels were not greater suggest that ethical choice patterns may be moderated somewhat by combinations of demographic factors and contextual variables.

Interestingly, the finding of only minimal differences in response consistency for males versus females was not in line with research that had reported females to be more context-dependent in their judgements[20]. Furthermore, the fact that respondents of both genders were most likely to select the teleological Rationalist styles perhaps signifies that deontological styles may not be as prevalent as some writings suggest[5,15]. Of course, biases toward socially desirable responses – despite lack of evidence in the debriefings – may have elevated the rankings for the Rationalist style in our data. Even if student respondents indeed viewed this style as highly valued in the business world, the data hinted that deontological preferences (e.g., for the Legitimist style) may develop as students become increasingly attuned to the norms and values of the working world.

In line with Kinston's taxonomy, the exploratory factor analysis showed the style preferences to be quite distinct from each other. From one viewpoint, reducing seven styles to four factors allows for a simplified taxonomy. However, combinations of the independent core dimensions allow for a much greater degree of individual variation. The three bi-polar factors merit particular attention since each of them depicts opposed teleological and deontological styles. These factors hint that individuals may in fact make several independent cognitive distinctions or tradeoffs in resolving the classic "means versus ends" dilemma. Further development of Kinston's scheme may be needed to account for the complexity of means-as well as ends-oriented ethical criteria. To describe an individual as preferring means over ends (or vice versa), for instance, may gloss over a more intricate cognitive reality. Interpreting the bi-polar factors yields some clues about the nature of that reality.

Factor I depicted opposed Legitimist and Experientialist styles. At the Legitimist extreme, the personal imperative is to follow society's laws as well as company policies, rules, and regulations. An individual with strong leanings in this direction might even create rules or policies where none exist for handling a new situation; the emphasis is upon depersonalizing and formalizing the means to produce an end. At the Experientialist extreme, attaining desired emotional outcomes becomes paramount. This may very well foster a resistance to added rules or policies, as well as a willingness to dispense with or break existing ones. The increased Experientialist preference among the younger and less-educated respondents may have reflected a lack of experience within rule-bound organizations or perhaps an independence-oriented stage of development.

Factor 2 depicted opposed Transcendentalist and Individualist styles. People at the Transcendentalist extreme would refer to deeply-held moral imperatives in decision making; their desired state is to "answer to a higher order". Others might criticize them for being self-righteous, out of touch with reality, idealistic, or dogmatic. On the other hand, people at the means-oriented Individualist extreme might be described as "answering to themselves" in ways that could appear to others as self-promoting, insensitive, security oriented, or reactive.

In Factor 3, the contrasting Conventionalist and Systemicist styles may reflect differing time frames as well as constituencies. At the Conventionalist extreme,

adherence to precedent and to widely-held views of appropriate conduct would be stressed. This means-oriented style could be viewed by others as risk averse, rooted in tradition, or seeking to preserve the status quo. In contrast, the ends-oriented Systemicist extreme concentrates much more upon seeing that peoples' current needs are met in emergent ways that may depart markedly from historical patterns or organizational norms. In breaking with convention or even "rocking the boat", Systemicist may focus more narrowly upon the people who would be affected by a decision rather than upon the broader views of others.

Together, the three bi-polar factors allow for combinations of styles. For instance, the factors allow for a blend of Transcendentalist, Legitimist, and Systemicist orientations - perhaps depicting an individual who feels morally bound to formal organizational policies and to balance peoples' current needs. It is quite possible that an individual's preference along one of the three axes may stand out prominently to observers. However, the findings suggest that single or even hierarchically ordered characterizations of peoples' styles may be unnecessarily restrictive.

The fact that Factor 4 was composed solely of the Rationalist style makes sense from a couple of perspectives. Psychometrically speaking, the low consistency of the scales scores across scenarios, constrained the magnitude of any possible correlations with the other styles. Also, within Kinston's scheme, the tactical considerations inherent in "doing what is clearly sensible and worthwhile" are perhaps too variable to classify the Rationalist style as a stable cognitive dimension.

Conclusion

The results of this exploratory research strengthen and add a new layer of complexity to Kinston's taxonomy. The development of his scheme was based on the explication of doctrines of thinking and acting that can be prescriptive as well as descriptive. These empirical findings suggest that there are coherent and consistent sets of cognitive processes, perhaps with a developmental component, underlying the seven approaches.

Currently, Kinston[13] is investigating purpose and value formation from a psychological perspective. Completely independent of our work, he has uncovered three "cognitive modes" at work, and has used the terms "responsive" "systematic", and "balanced" to label them in describing management work. The responsive mode is emotion-based; the systematic mode is logic-based, and the balanced mode is based on a synthesis of the other two. It is too early in the development of this work to examine the fit between the three cognitive dimensions that are the major finding of this research and Kinston's modes. However, the authors believe that these parallel developments may well prove to be complementary and will continue to explore their possible interrelationship.

A myriad of additional future directions is also suggested by the current research. First of all, it would be useful to employ a different and larger set of business scenarios - administered to full time employees only - to better assess the reliability and validity of the style measures. The scenarios could even be constructed to systematically vary situational factors that may affect style preferences. Subsequently, development of separate multi-item factor measures, as opposed to style measures might be appropriate. Finally, attention to applications would be

particularly fruitful. As a teach or training tool, a validated instrument could do much to promote self-insight about ethical biases, appreciation of the approaches that others employ, and enhanced decision-making flexibility. As an organization development tool, the instrument could perhaps help to identify sources of conflict and to highlight interpersonal barriers to change. Finally, the instrument might aid organizational selection and placement processes by helping to identify candidates who are most likely to succeed within existing ethical climates.

Acknowledgements

The authors gratefully acknowledge the support of Dr. Warren Kinston, whose framework was instrumental to the development of our study and whose critique greatly strengthened the survey design and interpretation of results. We would also like to thank Delores Smoot who helped refine earlier versions of the instrument.

References

1. A.B. Carroll, In search of the moral manager. *Busin. Horizons*, March/April (1987), 2-6
2. R.A. Cooke, Business ethics at the crossroads. *J. Busin. Ethics*, 5 (1986), 259-263
3. R.W. Ewin, The moral status of the corporation. *J. Busin. Ethics*, 10 (1991), 749-756
4. C. Gilligan, In a different voice: women's conception of the self and of morality. *Harv. Educ. Rev.*, 47 (1977), 481-517
5. C. Gilligan and S. Pollak, The vulnerable and invulnerable physician. In C. Gilligan, J.V. Ward and J.M. Taylor (eds.), *Mapping the Moral Domain*, 245-262. Harvard University Press, Cambridge (1988)
6. D. Jack and R. Jack, Women lawyers: archetype and alternatives. In C. Gilligan, J.V. Ward and J.M. Taylor (eds.), *Mapping the Moral Domain*, 263-288. Harvard University Press, Cambridge (1988)
7. R. Jackall, *Moral Mazes: the world of corporate managers*. Oxford University Press, New York (1988)
8. W. Kinston, Purposes and the translation of values into action. *Syst. Res.*, 3 (1986), 147-160
9. W. Kinston, A total framework for inquiry. *Syst. Res.*, 5 (1988), 9-25
10. W. Kinston, Completing the hierarchy of purpose. In P.W.J. Ledington (ed.), *Proc. 33rd. Ann. Conf. Int. Soc. Syst. Sci.*, 3 (1989), 245-254
11. W. Kinston, A resolution of the teleological-deontological controversy in ethics using metaethical design. Modified version of a paper presented at Session 9: Ethics in Social Systems, XII World Congress of Sociology, Madrid (1990)
12. W. Kinston. Decision systems, inquiring systems and a new framework for action. *J. of appl. Syst. Anal.*, submitted (1991)
13. W. Kinston. A Guide to Organizing the Practice of Ethics in Society. The SIGMA Centre, London. Book in preparation (1992)
14. W. Kinston and J. Algie, Seven Distinctive paths of decision and action. *Syst. Res.*, 6 (1989), 117-132
15. L. Kohlberg, Stage and sequence: the cognitive approach to socialization. In I.D. Goslin (ed.), *The Handbook of Socialization Theory and Research*, 347-480. Rand McNally, Chicago (1969)

-
16. H. Mintzberg, The case for corporate social responsibility. *J. Busin. Strat*, 4 (1983), 3-15
 17. J. Piaget, *The rules of the game*. Routledge and Kegan Paul, London (1932)
 18. V.K. Strong and A.N. Hoffman, The is relevance in the classroom: analysis of present methods of teaching business ethics. *J. Busin. Ethics*, 9 (1990), 603-607
 19. T.J. Von der Embse and R.A. Wagley, Managerial ethics: hard decisions on soft criteria. *SAM Adv. Management J.*, 53 (1988). 4-9
 20. H.A. Witkin, R.B. Dyk, H.F. Faterson, D.R. Goodenough, S.A. Karp, *Psychological Differentiation*. Wiley, New York (1962)
 21. W.R. Wynd and J. Mager, The business and society course: does it change student attitudes? *J. Busin. Ethics*, 8 (1989), 487-491